

**MINUTES OF THE
JOINT PUBLIC EDUCATION APPROPRIATIONS SUBCOMMITTEE MEETING
THURSDAY, FEBRUARY 4, 2010, 2:00 P.M.
Room 445, State Capitol**

Members Present: Sen. Howard A. Stephenson, Co-Chair
Rep. Merlynn T. Newbold, Co-Chair
Sen. D. Chris Buttars
Sen. Karen W. Morgan
Rep. Tim M. Cosgrove
Rep. Lorie D. Fowlke
Rep. Francis D. Gibson
Rep. Gregory H. Hughes
Rep. Bradley G. Last
Rep. Rebecca D. Lockhart
Rep. Marie H. Poulson
Rep. Phil Riesen

Members Absent: Sen. Lyle W. Hillyard
Rep. Kevin S. Garn

Staff Present: Ben Leishman, Legislative Fiscal Analyst
Patrick Lee, Legislative Fiscal Analyst
Karen C. Allred, Secretary

Public Speakers Present: Shirley Ririe, Liason, POPS Organization
Brent Haymond, Volunteer, Springfield Museum of Art
Michael Bahr, Education Director, Springville Museum of Art
Jim Sorenson, Beverly Taylor Sorenson Art Learning Program
Beverly Taylor Sorenson, Beverly Taylor Sorenson Art Learning Program
Steve Noyce, Superintendent, Utah Schools for the Deaf and the Blind
Michael Sears, Finance Director, Utah Schools for the Deaf and the Blind
Wendy Morgan, Parent, John Hancock Charter School
Mike Petersen, Executive Director, Utah Education Network

A list of visitors and a copy of handouts are filed with the Subcommittee minutes.

Co-Chair Stephenson called the meeting to order at 2:25 P.M.

1. Approval of Minutes

There were no minutes to approve.

2. FY 2011 Budget Review

Analyst Ben Leishman explained to the committee the FY 2011 budget detail review for the Fine Arts Education Outreach which gives service to schools and consists of three parts: the Professional Outreach Program in the Schools (POPS), a Request for Proposal (RFP) program, and a Subsidy program. Ongoing funding for the RFP was eliminated during the 2009 General Session.

POPS Provider Presentation -- Shirley Ririe, Liaison, POPS organization introduced those in attendance at this meeting, that work with the POPS Program across the state.

Brent Haymond, Volunteer, Springfield Museum of Art, distributed a handout to the subcommittee and expressed sincere appreciation for the support received over the last three years. The POPS art program has been enhanced and the program expanded. The POPS have struggled, and employees have had to be laid off, but the number of students served has increased. Mr. Haymond requested that no further reductions be made. It will be a struggle to keep operating at the same reductions made in 2009.

Michael Bahr, Education Director, Springville Museum of Arts, distributed a handout and explained that because of POPS, students from small towns are able to attend symphonies, create operas, go to art shows, dance performances, and theater performances. In addition to reductions in POPS, foundations and corporations funding has also been reduced. Very creative people have made choices with ways to come up with solutions to keep the POPS program functioning in spite of reductions. The arts teach creativity, humanity, discipline (use to living within budgets) and passion which have helped POPS find ways to keep the program going. Mr. Bahr requested to be able to main present funding.

Rep. Gibson commented that the Springville Art Museum is in his district, and it is a treasure and well worth visiting. He expressed appreciation to the POPS.

Sen. Morgan expressed appreciation to the POPS Organization and commented that they bring a lot of beauty and joy to the schools, and she is impressed with how the program has met budget reductions.

Rep. Poulson expressed appreciation and commented that the Springville Art Museum had an impact on her growing up. She also expressed appreciates for the Utah Shakespearean Festival.

Beverly Taylor Sorenson Elementary Arts Learning Program --

Jim Sorenson introduced his mother, Beverly Taylor Sorenson, and updated the subcommittee on the program. This art program was enacted in 2008, with one-time money, for the purpose of delivering high quality integrated fine arts education into the elementary schools. Evaluation to show benefits has been implemented, as well as improvements in attendance, and parent participation. A significant reduction in the

funding impacted the program such that they cannot complete the 3rd and 4th year of the program without

additional funding. This funding is in the Governor's budget, and Mr. Sorenson encourages the subcommittees support as well.

Beverly Taylor Sorenson expressed appreciation for the opportunity to set up this program. She stated that the early years with the children are so important and children are learning things that will take them through their secondary education, and have lasting results.

4. **FY 2011 Budget Review**

Utah Schools for the Deaf and the Blind -- Analyst Patrick Lee explained the Budget Brief included in the subcommittee binders. The Utah Schools for the Deaf and the Blind (USDB) provide direct and indirect services to children with sensory impairments, and their families, from birth through age 21. In the fall of 2009, USDB was providing services to over 2,000 students and infants. The Analyst recommends approving the base budget, and to consider the 5% reduction options given by USDB. The Institutional Council line item is separate. The USDB Institutional Council serves as an advisory panel and is funded solely through Dedicated Credits revenue generated from the interest and dividends derived from the permanent fund created for USDB at statehood. The Analyst recommends that the USDB Institutional Council line item be collapsed into the main USDB line item. The operations would remain the same, but accounting would be under USDB, with its own appropriation unit within that line item.

Rep. Lockhart asked about the permanent fund at statehood for the USDB. Mr. Lee responded that it is a permanent fund that generates interest and dividends. Michael Sears responded that it was an allocation of land set aside for them at statehood.

USDB Presentation -- Steve Noyce, Superintendent, USDB, explained that the agency goals are to focus all resources on where they can have the most impact, which is primarily with children, in early childhood, who are deaf, blind, and deaf and blind. Superintendent Noyce stated the USDB has struggled with an archaic program, and now he wants to put emphasis on early childhood and early intervention programs for children between ages zero and three. The USDB wants to increase intensity of service in early childhood special education, provide quality accessible materials through USIMAC, and turn USIMAC into a business to provide services for other states to recoup some expenses. The USDB has relocated the Utah State Instructional Materials Access Center (USIMAC) to Ogden and have created a partnership with Sound Beginnings through Utah State University. The USDB plans to eliminate Residential Services and Curriculum Specialist positions and return them to the classroom, move secondary students from mainstreamed schools in Salt Lake City to the USDB campus program which reduces the cost of providing interpreter services, eliminate summer and short term programs, terminate some staff, and reassign

well qualified teachers to early childhood programs.

Sen. Morgan asked about the elimination of the residential program, how many students there are, if most of them are over 18 years old, and if they would be phasing out of the program. Mr. Noyce responded that there are 23 students, and if the reduction is not as deep as anticipated, this would be the first place to be kept in tact. Children with vision loss really need help before they leave the program, and transition into vocational programs. Sen. Morgan asked if there is a way for them to receive students, in a resident program and if there are services in the southern part of the state. Mr. Noyce responded that students can receive help in getting into transition program, which is hard to do from the residential school district, and there are teachers in St. George, Cedar City, Blanding, Vernal, and Richfield. USDB has a statewide presence.

Rep. Cosgrove asked if elimination of the residential program will affect the inner district transfers and IEP's, and is eliminating the residential program a concern for the school districts. Mr. Noyce responded that some districts can't take transfers because they are already full but there are only a few students in the Residential Program, and the school districts are probably in a better position to serve them. Schools have programs in place for multi-disabled students. Wherever a program is cut, it hurts somebody, and the USDB is trying to make reductions in a way that will benefit as many as possible and trying to make sure needs are being met. Rep. Cosgrove is concerned with students falling through the cracks. Superintendent Noyce responded that he is also, but feels that goals can be met.

Co-Chair Newbold asked of the 2000 students and infants, about how many are in the early intervention program and if this early intervention program fits in with early intervention programs in other subcommittees. Superintendent Noyce responded that there are 260 in the blind program and 285 in the deaf program. There is some funding provided through Baby Watch in the health subcommittee, and there are some shared services, but the USDB students need very specialized services which are in schools for the deaf and the blind. Co-Chair Newbold asked if all of the budget goes to school age children. Superintendent Noyce responded no, that nearly \$3 million is going into early intervention programs. Over 70% of children are mainstreamed before 3rd grade and many before kindergarten.

Rep. Poulsen asked when students are mainstreamed do the school districts pay for interpreters. Superintendent Noyce responded that once they are mainstreamed students are funded by their local school district, but the USDB provide itinerant services for teachers of the deaf. There are no provision for providing for students after the 6th grade because virtually all of them are mainstream.

5. FY 2011 Budget Review

Charter Schools -- Mr. Lee explained the budget brief on State Charter School Board. The State Charter School Board has a director and professional staff to support its operations to

advise the State Board of Education on charter school issues. Funding comes from state Uniform School Funds and Federal Funds. The 98% base budget results in a FY 2011 base appropriation from the Uniform School Fund of 20.3% lower than the FY 2009 original appropriation.

Mr. Leishman explained the budget brief, Minimum School Program Charter School Funding Programs. The Charter School Local Replacement Formula acts as a proxy for local school districts' property tax revenues that don't transfer with a student when they transfer to a charter school. The state makes an additional supplement since property tax is unavailable to charter schools.

Rep. Gibson asked for clarification that the replacement funds do not follow that student to a charter school. Mr. Leishman replied that funds do not follow the student. There is some argument that when a charter school student leaves their residential district, the district no longer counts them, so it is unclear if there is a pool of money funding a phantom student. Currently, the local replacement provides a supplement to charter schools for funds they don't get from the local school district.

Mr. Leishman continued. The program has grown significantly from when it started. In 2002 local charter schools and school districts shared the cost, but contention arose, so the state came up with the local replacement fund. Since 2003, the local replacement has been changed several times, and is still an on-going debate. In the 2008 general session, the current formula was passed, and the local replacement rate is \$1,607 per student enrolled in charter schools which is the state cost. The actual cost is higher because the formula requires school districts to contribute into the formula cost.

Rep. Newbold asked for clarification on the projected growth on the table in the budget brief. Mr. Leishman explained the table format.

Mr. Leishman continued that the Charter School Administrative cost is another program in the Minimum School Program and the state provides \$100 for each student enrolled in a charter school to cover school-level administrative costs.

Rep. Gibson asked about the new formula presented earlier in the session. Co-Chair Stephenson commented that there is some discussion about changing the formula by keeping the current local replacement as is now, and new students' local replacement funding would be handled through a new mechanism. It is in a state of flux right now. Rep. Gibson asked for clarification on new schools opening. Last year there was a concern about not funding new charter schools, but some were already set to open. He asked if there are new schools this year ready to open. Mr. Leishman responded that there are four new schools scheduled to open in fall 2010, and the new schools make up a fraction of the new enrollment growth, the remaining are growth in existing schools.

Sen. Morgan asked if there was a cap or moratorium set on the creation of charter schools. Mr. Leishman responded there have been caps on enrollment, but not a cap on creation of charter schools.

6. Public Comment

Wendy Morgan, teacher, John Hancock Charter School, commented that she feels charter school students are treated as second class citizens. Ms. Morgan asked why charter school students receive less money than students attending residential schools. Mr. Leishman replied that it depends on what the local school district funds through property tax. The local replacement formula has been instituted to equalize funding for students in charter schools and school districts. Compared to the amount in certain school districts, charter schools may be getting more funding, and in some districts, less. Ms. Morgan observed that after visiting local schools, she feels that parents, and teachers at John Hancock have to donate basic needs, such as toilet paper, as well as time and money to make ends meet.

Sen. Butters commented that he feels the disparity is terrible because the school board has never accepted charter schools.

Co-Chair Stephenson asked Ms. Morgan how students are doing in the John Hancock Charter School. Ms. Morgan replied that students are having a wonderful experience because parents and administrators of the school have a common goal, that the sacrifice is worth the success of the children.

7. Utah Education Network

Mr. Lee explained that the Utah Education Network (UEN) provides much, if not most, of the online services for the network back bone, for the school districts and charter schools. Upgrades have been made, despite reductions. The UEN is funded in the Higher Education Subcommittee, but the network supports public education.

Mike Petersen, Executive Director, Utah Education Network, distributed a handout and explained that the UEN is an education organization. About 80% of UEN budget is spent on public education, and 20% on higher education. The mission of UEN is to connect educators and students to create education opportunities and foster collaboration among schools, colleges, universities and libraries. The core responsibility is to provide statewide wide area network that connects every school and college, and provide robust and reliable connectivity to the Internet. UEN and the state do not own the network, it is the result of a partnership, in which UEN leases circuits with multi-year contracts. Network and Internet services qualify for federal E-Rate reimbursements which cover about two-thirds of the cost. This ensures that the services are provided at low or no cost to school districts and higher education. Interactive Video Conferencing is an internet-based system that broadcasts 200 events per day to 600 locations statewide and is a powerful educational tool

for both rural and urban students.

Rep. Newbold assumed the chair

UEN also manages course management systems for colleges and universities, which saves them over \$1 million a year; provide professional developments, which supports local school districts; and saves the state of Utah millions every year with low cost contracts with local telecommunications companies and through federal E-rate discounts. UEN is working to provide the remaining 158 elementary and charter schools with high capacity network connections by applying for a grant, which has a match UEN is required to provide. UEN has very limited flexibility in its budget. UEN must, as its highest priority, maintain the network it has built.

Rep. Gibson asked when a new school opens, is the UEN connection calculated in the cost of that building, what is the ballpark cost for an elementary or charter school and what does the \$8 million keep in place. Mr. Peterson responded that the cost is not included, at least not connecting to the network, it costs about \$50,000-60,000 to get the system to the school, and about a monthly circuit recurring cost of \$300-\$400 a month. UEN is paying less than half of the tariff rate. The \$8 million is needed to fund the match to the grant. If there are no further cuts in UEN, it should be able to reach the funds needed.

Sen. Buttars commented that UEN has a great program.

Mr. Leishman told the subcommittee what would be taking place at the meeting next Monday. The chairs have asked him to prepare a spread sheet of line items to discuss.

MOTION: Sen. Buttars moved to adjourn.

The motion passed unanimously with Co-Chair Stephenson and Reps. Hughes, Last, Lockhart, Poulson and Riesen absent for the vote.

Co-Chair Newbold adjourned the meeting at 4:36 P.M.

Minutes were reported by Karen C. Allred, Senate Secretary

Sen. Howard A. Stephenson, Co-Chair

Rep. Merlynn T. Newbold, Co-Chair